

FISCAL NOTE
HB 2419 - SB 2604

January 29, 2004

SUMMARY OF BILL: Requires the State Treasurer to establish Roth IRAs for state employees and directs the state to match an employee's contribution to the Roth IRA by \$20 per month.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$6,824,600/General Fund
\$474,400/Highway Fund**


Other Fiscal Impact - Increase Federal/Other Expenditures - \$1,940,400

Estimate assumes:

- approximately 43,500 employees currently participate in the Deferred Compensation Program.
- approximately 75% or 32,625 employees currently participating in the Deferred Compensation Program will elect to establish Roth IRAs and be matched \$20 per month by the state.
- total first year costs of \$9,239,400 of which \$6,824,600 will impact the General Fund.
- total first year costs of \$474,400 to the highway fund for the state match for Department of Transportation employees.
- total first year costs of \$1,940,400 applicable to federal and other funds for the state match for state employees whose salaries are funded in whole or in part by federal and/or other funds.
- benefit costs of approximately 18% for FICA and TCRS contribution since the employer's contribution would be subject to such taxes and contributions.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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